

Less power costs more due to hike

By [Dave Anderton](#)

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Rocky Mountain Power customers who use less electricity will be penalized under a \$115 million electricity rate hike soon to be implemented, according to the Utah Committee of Consumer Services.

That's because a so-called "rate design" proposed by the utility imposes a higher percentage increase on low-use residential customers.

For example, residential customers using 500 kilowatt-hours of electricity during summer months will see their monthly bills climb 12.6 percent, according to Dan Gimble, chief of technical staff for the committee. However, customers using four times as much electricity will see an increase of just 6.7 percent.

Gimble called the company's rate design "regressive," favoring people with big homes and big air conditioners.

"It's punishing those customers that are practicing energy conservation and in effect rewarding those customers that are consuming more," Gimble said. "We think the incentives are misaligned. What they should be doing is encouraging energy conservation through their price signals."

Calls to Rocky Mountain Power seeking comment were not returned by Deseret Morning News deadlines Thursday.

In July, the consumer committee reached a settlement with the utility that would increase rates by \$115 million. The change will be implemented in two phases: \$85 million, effective Dec. 11, and an additional \$30 million on June 1, 2007. That equates to a \$5.76 monthly increase for the typical residential customer. The deal must still receive approval of the Utah Public Service Commission.

The utility had originally requested a \$197 million increase, the largest amount ever sought in the utility's history.

Even though the committee has agreed to the rate hike, the dispute over how the increase will be allocated among residential users is likely to be discussed before the PSC. A hearing on the matter has been set for Oct. 27.

Aside from objections about Rocky Mountain Power's rate design, the committee also opposes the company's proposal to raise a monthly customer charge from 98 cents to \$3.40 — a 247 percent increase. The customer charge covers the costs for billing and metering.

"I believe we have the lowest electric utility customer charge in the nation," Gimble said. "And the committee has fought hard to keep it where it's at."

Connie White, director of the Utah Division of Public Utilities, said the division supports raising the customer charge to somewhere in the \$3 range.

White said the division, like the committee, may propose an adjustment to the company's rate design.
